



Gray Davis
Governor

California Workforce Investment Board Agenda Packet



Wednesday
May 21, 2003
10:00 a.m. – 3:00 p.m.

Radisson Hotel
500 Leisure Lane
Sacramento, California



CALIFORNIA WORKFORCE INVESTMENT BOARD



MEETING NOTICE Radisson Hotel 500 Leisure Lane Sacramento, California

Lawrence Gotlieb
Chairman

**Wednesday, May 21, 2003
10:00 a.m. – 3:00 p.m.**

Gray Davis
Governor

Christine Essel
Vice Chair

Andrew R. Baron
Executive Director

Stated time of meeting conclusion is approximate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

MEETING NOTICE

- 1. Welcome and Opening Remarks**
 - **Larry Gotlieb, Chair**
- 2. Action Item - Approval of State Board Meeting Minutes**
- 3. Update on Reauthorization**
- 4. Administrative Items:**
 - **Action Item - Creation of Workforce Investment Act Task Force**
 - **Action Item - Creation of Special Committee on Bylaws**
 - **Universal Access Workgroup – Linkages to the Workforce Inclusion Act**
 - **Federal Waiver Application**
 - **Update of Provisional Local Workforce Investment Board Recertification and Redesignation of Local Workforce Investment Areas**
- 5. Council of Economic Advisors Panel Presentation – California Business Climate**
- 6. Lunch Presentation: “Fifty Stories”**
 - **Virginia Hamilton, California Workforce Association**
- 7. Action Item - Presentation and Approval of Draft Strategic Plan: 2003/2004 Priorities**
 - **Economic Information**
 - ⇒ **California Regional Economies Project**
 - **Collaboration**
 - **Innovation**
 - **Performance**
 - **Administrative Excellence**
 - **Youth**
- 8. Other Business That May Come Before the Board**

In order for the Board to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the California Workforce Investment Board must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

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Welcome and Opening Remarks

- **Larry Gotlieb, Chair**

Action Item - Approval of State Board Meeting Minutes

**California Workforce Investment Board
December 12, 2002**

Meeting Summary

On December 12, 2002, the California Workforce Investment Board convened at the Radisson Hotel, Sacramento. The following State Board members and staff were in attendance:

Board Members

LARRY GOTLIEB, Chair
PATRICK AINSWORTH (designee for Delaine Eastin)
KENNETH BURT
JERRY BUTKIEWICZ
JAMES CRETTOL
VICTOR FRANCO
ELIZABETH FREEMAN
JAY HANSON (designee for Bob Balgenorth)
SCOTT HAUGE
MARY HAYWOOD
MARY HERNANDEZ (designee for Steve Smith)
DON HUNSUCKER
SUKHEE KANG
PAMELA KONG (designee for Elvin Moon)
BILL LLOYD
SEAN MacNEIL (designee for Patricia Wiggins)
ROBERT MEJIA (designee for Jerome Horton)
RICHARD MENDLEN
KATHLEEN MILNES
VICTORIA MORROW (designee for Tom Nussbaum)
PETE PARRA
PAT PAUL
FRANK QUINTERO, SR.
RON SELGE (designee for Tom Nussbaum)
RONA SHERRIFF (designee for Wesley Chesbro)
DAVID VILLARINO (designee for Arturo Rodriguez)
DON WHITAKER

STAFF MEMBERS

PAUL GUSSMAN, Deputy Director
JOHN BOHART
MEGAN JURING
DAVE MAR
JOHN MERRIS-COOTTS

Welcome and Opening Remarks

Chair Larry Gotlieb welcomed everyone and asked all State Board members to introduce themselves, giving their names and affiliations.

Mr. Gotlieb acknowledged the efforts of a number of State Board members. He stated that Vice Chair Chris Essel was attending meetings in Washington, D.C. on Board business; Mr. Art Pulaski and Mr. Kirk Lindsey had been busy spearheading efforts to work on the State Board's strategic plan goals; Mr. Scott Hauge was continuing to work with small businesses; Ms. Kathleen Milnes had been working hard on One-Stop certification efforts; and Mr. Victor Franco, chair of the Performance-Based Accountability Committee, was devoting his attention to ensuring that workforce investment funds are well spent.

Mr. Gotlieb noted that the Workforce Investment Act was coming up for reauthorization within the next year, and as part of its advocacy efforts, the State Board was participating in a group along with other large states with common interests.

Mr. Gotlieb announced that the State Youth Council had a new chair, Mr. Jorge Ayala, and a new vice chair, Ms. Myeshia Grice. He congratulated the State Youth Council's Youth Council Institute for winning an award from the National Association of Workforce Boards for its pioneering work. He invited Mr. John Merris-Coots to brief the Board further on State Youth Council activities.

Mr. Merris-Coots drew attention to the materials in the meeting packet pertaining to the State Youth Council's development of a comprehensive plan for California's youth. He stated that the key components are fostering youth involvement, providing connections and resources for young people, promoting effective implementation of targeted programs, and supporting and empowering local youth councils. Mr. Merris-Coots noted that the State Youth Council is also working on developing a policy to identify local areas with high concentrations of eligible youth.

Mr. Bill Lloyd commented that the State Youth Council is developing proactive strategies for addressing problems of at-risk youth. He thanked Mr. Merris-Coots and the staff for their hard work.

Mr. Pete Parra noted that many communities in California, especially small rural communities, need to focus more attention on providing services to farmworker youth and their families. He recommended working with groups like the California Rural Development Council to coordinate these activities.

Mr. David Villarino underscored the importance of serving farmworker youth. He noted rural counties in California are experiencing high rates of unemployment, high school dropouts, poverty, teen pregnancy, and single-parent households. Mr. Villarino emphasized the urgency of preparing and educating young people to avoid problems in the future. He suggested strengthening collaborations with teachers unions as a way of reaching these vulnerable youth.

Mr. Ken Burt acknowledged the importance of educators, parents, and communities working together. He commended the State Youth Council for making sure youth were participating on the Council and in its activities.

Mr. Hauge asked if the State Youth Council was working with Junior Achievement. Mr. Merris-Coots responded that the staff has initiated discussions with that organization. He added that Mr. David Rattray, a member of the State Youth Council, is very involved with his local Junior Achievement board. Ms. Pat Paul commented that the Proposition 10 Commission would also be a useful ally. She noted that the Commission is focusing on school readiness programs serving very young children.

Mr. Gotlieb stated that the State Board has received significant support from the Davis administration in advocating reauthorization of the Workforce Investment Act. He noted that the new Labor and Workforce Development Agency, under the direction of Mr. Steve Smith, is an effective vehicle for improving coordination among various state agencies. Mr. Gotlieb added that he has been meeting

personally with Congressman Buck McKeon, who chairs the House subcommittee in charge of WIA reauthorization. In particular, he stated that his discussions have emphasized the importance of WIA to California. Mr. Gotlieb noted that in conjunction with the reauthorization campaign, the California Workforce Investment Board would be seeking broader representation from businesses and the education community.

Mr. Gotlieb announced the formation of the Council of Economic Advisors to provide the State Board with guidance in determining how training dollars can best be spent. He noted that this group, under the leadership of Mr. Steve Levy, combines leading economists and experts who can advise the Board on specific jobs and training needs in the coming years.

Deputy Director Paul Gussman explained that the Council of Economic Advisors will be looking at current research and helping the State Board apply that knowledge in making policy regarding industry sectors and future jobs. He noted that this group will help link education to workforce preparation and economic development as well. Mr. Gotlieb added that the strategic information produced by the Council can then be communicated by the State Board to local WIBs.

Mr. Parra recommended that the Council of Economic Advisors make use of and build on the studies and recommendations made by other groups that have looked at these issues over the years.

Approval of September 19, 2002 State Board Meeting Minutes

A motion was made and seconded to approve the September 19 State Board meeting minutes.

Referring to Page 5, in the discussion of Bay Area Works, Mr. Hauge noted that small business is actually a fourth cluster of the Bay Area Works proposal.

Ms. Libby Freeman pointed out that the name of the vice chair of the San Jose-Silicon Valley Workforce Investment Network, who participated in the lunch presentation, was misspelled.

The State Board voted unanimously to approve the September 19 minutes as amended.

California WIA Title I-B 2001 Annual Report

Mr. John Bohart reviewed the narrative portion of the State Board's Annual Report for Program Year 2001-02. He noted that the bulk of the report consists of extensive performance data tables that are available on the Web site and have already been submitted to the U.S. Department of Labor. Mr. Bohart stated that the report describes WIA implementation in California and provides information on local areas and program successes. He added that the 2001-02 Annual Report is far more detailed than last year's, reflecting the significant activity that went on this year.

Mr. Gotlieb commented that the report is much more readable and captures the state's efforts well. He thanked the State Board staff, the Employment Development Department, and the California Workforce Association (CWA) for their work.

Mr. Gotlieb provided an opportunity for public comment. There being none, a motion was made and seconded to approve the Annual Report. The State Board voted unanimously to approve the Annual Report as proposed.

Redesignation of Temporary and Board-Designated Local Workforce Investment Areas/Recertification of Local Workforce Investment Boards

Mr. Dave Mar noted that 19 of the state's 50 local workforce investment areas (LWIAs) applied for and received permanent status, and the remaining 31 were given temporary or Board-designated status. The State Board adopted a policy on May 30, 2002, that local areas needed to meet at least 80 percent of nine of eleven locally negotiated performance measures in order to be redesignated. Mr. Mar reported that 29 local areas met the performance and fiscal criteria; he recommended that the Board approve redesignation for those 29. Mr. Mar noted that two local areas, Oakland and San Bernardino City, failed to meet the performance criteria. In those cases, he recommended conditional redesignation status for one year, with the stipulation that they submit corrective action plans and work with the State Board staff to improve performance. Mr. Mar stated that the staff will come back to the Board next November with recommendations as to whether they should be redesignated.

Mr. Lloyd asked for further information on Oakland's performance problems. Mr. Mar responded that Oakland met seven of the eleven performance goals. He stated the entered-employment rate for adults and the retention rate for older youth fell below the 80 percent threshold. He added that a letter was sent to the Oakland LWIA advising them of their shortcomings, requesting a corrective action plan, and warning of the possible consequences of failing to meet the goals next year.

Mr. Victor Franco expressed a reluctance to approve conditional redesignation for areas that had not met their negotiated performance goals. He indicated he would prefer to see a sound corrective action plan by a definite date. Mr. Mar explained that if the local area is not given a conditional redesignation, it may be unable to continue providing needed services through its One-Stops. He noted that with the conditional status, staff will be monitoring the program closely so they can meet performance goals and continue to receive WIA funds next year. Mr. Franco recommended setting a specific date for submittal of the corrective action plan, and Mr. Mar indicated he would instruct Oakland to submit a plan by February 2003.

Mr. Franco expressed his opinion that once a local area meets 80 percent on nine of the eleven performance measures, the State Board should expect 80 percent on all eleven measures the next year. Mr. Mar noted that youth credentialing had not been counted toward performance because of inherent problems in the measurement system. He indicated that the State Board can consider changing its policy to expand performance goals to 80 percent of all eleven measures in the future. Mr. Franco recommended that the State Board revisit its policy in that regard.

Mr. Franco also suggested that the State Board staff provide technical assistance to local areas that do not meet their performance goals. Mr. Mar stated that the Employment Development Department's regional advisors will be visiting those programs, reviewing their reports, and monitoring their performance on a continuous basis.

Mr. Parra pointed out that the performance measures do not accurately reflect the actual performance in some communities. He observed that some areas of California have very low unemployment, while others have serious problems. He advocated retaining flexibility to deal with unique situations and differences among communities.

Mr. Gotlieb provided an opportunity for public comment. There being no public comment, a motion was made and seconded to approve the redesignation and conditional redesignation of local workforce investment areas, and the recertification of local workforce investment boards as proposed by the staff.

Mr. Frank Quintero asked for further information on the San Bernardino City performance results. Mr.

Mar stated that San Bernardino City did not meet the 80 percent threshold in the areas of adult earnings change, dislocated workers, older youth, and skill attainment.

Ms. Rona Sherriff noted that with the current budget crisis and the major cuts facing communities in California, it might be premature to take a rigid stance with some areas. She noted that the Governor has the ability to reconstitute and reorganize the local areas, and she recommended keeping those options open. She suggested it might be better to defer a decision for a few more months. Mr. Mar explained that the statute requires the State Board to take action to redesignate local areas after the first two years. Mr. Steve Malliaras, U.S. Department of Labor, noted that the local areas were designated in December 2000, so the Board needs to take action this month to extend those designations.

Mr. Gotlieb asked the staff to review the corrective action plans submitted by Oakland and San Bernardino City and provide an analysis for the State Board at the next meeting.

Mr. Villarino commented that most agricultural workers in California are not eligible for training and development funding through WIA. He noted that seasonal workers in construction and other sectors are also outside the scope of WIA. He recommended that the State Board consider making the performance outcome measures more flexible as a way of serving these sectors. Mr. Villarino supported approving the conditional redesignations proposed by the staff. He also encouraged the State Board to do more to support innovation.

Mr. Jerry Butkiewicz said he shared Mr. Franco's concerns about approving conditional redesignations for areas that had not met their negotiated standards.

Mr. Burt advocated the State Board adopting a more interventionist strategy to work with the problem local areas. He suggested assigning staff to make more frequent visits to assess their operations and help them meet the standards.

Mr. Gotlieb proposed forming a work group to examine these issues in more detail. He noted that the State Board members who expressed strong feelings about the standards can work with the staff to resolve their concerns. Mr. Butkiewicz recommended obtaining input from CWA about the standards as well. State Board members supported this approach.

Mr. Quintero noted that LWIAs sometimes go through cycles related to the economic conditions in their respective regions. He indicated that it may take a year or two after a downturn for performance to get back on track in terms of employment and training.

The State Board voted unanimously to approve the redesignation of local areas and recertification of local WIBs as proposed.

One-Stop Certification/State Level Validation of Local One-Stop Certification Standards

Ms. Kathleen Milnes reported that the One-Stop Certification Work Group has been focusing on developing statewide standards to improve the visibility of the One-Stop system and to promote greater consistency. She stated that the new standards will be tested by three One-Stop Career Centers, and she thanked Orange County, the City of Los Angeles, and the Sacramento Employment and Training Agency for their participation in this pilot project. She noted the work group is also working on a self-study manual to help One-Stops understand the benefits of the certification process.

Ms. Milnes indicated the certification work group has been able to align its efforts with the State Board's strategic plan goals. She drew attention to the proposed policy statement on Page 15 of the meeting

packet. She noted that the standards are explained and discussed in more detail starting on Page 17. Ms. Milnes added the work group developed a glossary of common terms, and she referred to Pages 21 and 22 of the meeting packet. She also provided a fact sheet, a work plan and timetable, and a description of what other states are doing.

Ms. Milnes noted that a number of local One-Stops in California have developed their own certification programs, and that their ideas have been incorporated and used as the basis for the statewide standards. She clarified that the purpose of the statewide standards is not to certify One-Stop Centers, but to assist local WIBs in helping identify what users can expect from One-Stops, and to improve the quality and consistency of the services they offer. Ms. Milnes indicated that although participation in the certification program is voluntary, the standards offer a way of recognizing quality programs and sharing in statewide marketing efforts. Especially with the downturn in the economy, the idea of developing common systems and coordinating the use of scarce resources is becoming more critical.

Ms. Milnes invited Mr. John Delmatier of Proteus, Inc., a member of the work group, to discuss the proposed standards in more detail.

Mr. Delmatier pointed out that all of the standards are tied to the State Board's five strategic goals. He stated the indicators of quality include leadership, market focus, effective partnership relationships, access to timely and relevant information, administrative excellence, and nurturing innovation. He noted that one subcommittee of the work group will be evaluating the pilot program and developing the self-study guide and application process, while another subcommittee is focusing on the marketing and recognition components. He indicated the products will be brought back for State Board review as soon as they are completed.

Ms. Milnes thanked and acknowledged Mr. Robert Mejia, Ms. Kathy Johnson, and other members of the work group attending the meeting.

Mr. Parra recommended testing the standards in some smaller, rural communities as well. Mr. Villarino and Mr. Jim Crettol volunteered the Kern County WIB as a participant in the pilot project.

Dr. Patrick Ainsworth observed that the standards do not seem to emphasize accountability and measurable goals as a criterion. He suggested encouraging One-Stops to establish an evaluation process, set measurable annual goals, collect data on outcomes, and adjust operations to ensure that stated goals are met. Dr. Ainsworth added that demanding performance is the best way to get quality outcomes.

Mr. Gotlieb commented that it is very important for private-sector employers to know what they can expect of One-Stops throughout the state. He stated the certification program is a positive first step toward achieving the desired level of consistency and quality.

Mr. Gotlieb provided an opportunity for public comment. There being none, a motion was made and seconded to adopt the policy statement regarding One-Stop certification. The Board voted unanimously to approve the motion.

Lunch Presentation

The meeting was adjourned for lunch and Board members and the audience were invited to tour the Proteus, Inc., mobile One-Stop van.

Mr. Mike McCann, Proteus, Inc., explained that Proteus is a nonprofit organization providing education, employment training, career counseling, and job search training to customers in Kern, Tulare, Kings, and

Fresno Counties. He stated Proteus recently purchased two mobile One-Stop vans using money from the Governor's 15 percent discretionary funds. Mr. McCann noted the vans, equipped with power sources and wheelchair lifts, are 36 feet long and contain 10 computer work stations. Each van cost a total of about \$230,000, \$170,000 for the vehicle and an additional \$55,000 for equipment and technology. Using these vans, customers in rural communities throughout the Proteus area have access to One-Stop services and resources.

Mr. Gotlieb thanked the Proteus representatives for their presentation and tour.

Local Area Panel - Business Services Theme

Mr. Hauge invited three guest speakers to talk about some of the creative things being done to serve business customers in their areas. He noted small and large businesses in California report difficulty in finding qualified workers, and local WIBs struggle with the lack of funding for employer services.

Ms. Christine Bozar, Career Partners, Rosemead-Los Angeles Workforce Investment Board, reported that Career Partners adopted a business model, putting the employers' interests first and then looking at how best to serve employer customers. She stated WIB staff members are required to go out into the community and visit local companies. Ms. Bozar commented that many employers are not aware of the resources available to help them, so Career Partners takes the initiative in establishing personal relationships with business customers and then works with partner agencies to meet their needs. She mentioned outreach efforts like email flyers have been effective tools in reaching potential customers. Ms. Bozar added that funding is a critical problem. She noted many small employers are not eligible for Employment Training Panel contracts.

Ms. Jean Harvey, Napa County Workforce Investment Board, stated the Napa WIB participated in an industry cluster study, and then targeted three primary industry sectors in Napa County, technology, construction, and hospitality. The Economic Development Corporation then put together forums of industry leaders to identify their specific needs. The businesses themselves were involved in designing the training programs, and the WIB assisted in finding clients to participate in the training. Ms. Harvey indicated the technology sector identified a new occupation called knowledge administrator and then developed a curriculum and training program to provide upgrade skill training to workers. The construction industry worked with the Office of Education to establish a trade school to encourage younger people to go into the construction industry trades. The hospitality industry concentrated on training workers to promote Napa County as a tourist destination. Ms. Harvey recommended partnering with economic development corporations, educational agencies, and local businesses to obtain funding for training programs. She stated the Napa WIB offers on-site training, interviewing, and employee orientations as well.

Ms. Kathy Johnson, Tulare County Workforce Investment Board, noted the Tulare County WIB focused its efforts on businesses as well as job seekers. She stated this approach entailed a dramatic shift in the mindset of WIB staff, and the result was creation of business resource centers to assist local employers with recruitment, industry information, marketing and business plans. Ms. Johnson shared a copy of an extensive business resource guide, which includes information on hiring and training, tax credits, on-the-job training, work opportunity credits, financial resources, technical assistance, and other services available to business customers. She noted the guide also provides copies of sample documents and publicizes workshops on topics of interest to employers.

Mr. Hauge asked the presenters how the State Board could better assist them. Ms. Harvey stated performance measures for business services would be very helpful. All three presenters mentioned funding as a major challenge. Ms. Johnson recommended that the State Board provide assistance with

marketing and outreach to employers.

Mr. Gotlieb expressed his appreciation to Ms. Bozar, Ms. Harvey, and Ms. Johnson. He stated the types of programs in these local areas can be used as examples of best practices for others.

Small Business Work Group Report

Mr. Hauge reported that the Small Business Work Group held four regional small business forums during the past year and three employer service focus group sessions. He noted that businesses reported a need for soft skills training and career technical education. He stated service providers identified their most pressing problems as the lack of funding for employer services, lack of minimum performance standards for One-Stop employer services, and lack of constructive programs to deal with soft skills and work ethics.

Mr. Hauge noted that he has been meeting with representatives from the Employment Development Department, economic development organizations, the Employment Training Panel, Bay Area Works, the Bay Area Educational Workforce Preparation Council, the U.S. Department of Labor, the California Association of Employers, the Governor's Office, and other groups working on small business issues. He reported that his e-mail tree now has more than 200 small business participants receiving regular updates on issues of interest to them. During the coming year, Mr. Hauge stated, the Small Business Work Group will be working with the One-Stop Certification Work Group, looking at performance measures for employer services, forging stronger links with One-Stops and existing programs, tackling the issue of soft-skills training, and addressing some of the other needs identified by small businesses. He asked that the staff consider ways of obtaining funding for employer services and come back to the State Board at the next meeting with their ideas.

Mr. Hauge invited other interested State Board members to contact him about joining the Small Business Work Group. Mr. Gussman added that Mr. Hauge has also been working with the Employment Training Panel to improve their delivery of services to small businesses.

U.S. Department of Labor Update

Mr. Steve Malliaras, U.S. Department of Labor, reported that the Department of Labor completed its review of workforce development programs in California. He stated the review covered welfare-to-work, WIA, job service funding, and fiscal areas. Mr. Malliaras noted that there were 25 findings and a host of observations about activities inconsistent with federal regulations or statutes. On the other hand, the Department of Labor recognized many effective practices and promising practices occurring throughout the state. Mr. Malliaras congratulated the State Board and the programs in California for their many innovative and forward-thinking programs. He noted that the Department of Labor will be reviewing the state's responses and proposed corrective actions, and that further discussions will be held with Mr. Gotlieb, Mr. Baron, Acting Secretary Steve Smith, and others.

Mr. Malliaras reminded the State Board that California's five-year plan needs to be modified to reflect changes that occurred as a result of the creation of the Labor and Workforce Development Agency. He added that the State Board's annual report was much more substantive and readable this year, and he expressed his appreciation to the staff for their efforts.

State Board Strategic Plan Update

Mr. Art Pulaski discussed activities related to the State Board's strategic goal of administrative excellence. He stated the work group is working on WIA reauthorization, State Board development, compliance issues and the budget trailer bill language pertaining to convening a One-Stop stakeholders group. Regarding reauthorization, Mr. Pulaski noted the staff will be working with the National

Governors Association and the large states group discussed earlier by Mr. Gotlieb. In terms of State Board development, Mr. Pulaski described efforts to expand participation to sectors such as the garment industry, biotech, tourism, construction, and other industries. He noted that Assembly Bill 444, the budget trailer bill, calls for the State Board to convene a One-Stop stakeholders group to discuss the role of One-Stops, One-Stop activities, data, compliance, the quality process, and continuous improvement. He added that the CWA has been instrumental in surveying One-Stops and identifying issues of importance to them.

Mr. Gotlieb thanked Mr. Pulaski for volunteering to meet with him and Representative Buck McKeon to advocate for WIA reauthorization. Mr. Gussman noted that a good strategy for approaching WIA reauthorization is to emphasize its impact on economic security for California and the rest of the nation.

Ms. Kathleen Milnes reported on her work group's progress in working on the State Board's strategic goal of providing timely and relevant information to local WIBs and the State Board. She noted that the newly-formed Council of Economic Advisors will play an important role in assisting in this effort. Ms. Milnes mentioned other activities include an interagency agreement with the Technology, Trade and Commerce Agency promoting linkages with the state's Economic Strategy Panel, and a new research proposal to study the state's nine economic regions and their industry clusters. She added that the research team will be invited to the State Board's strategic planning session in February to further discuss this project.

Mr. Crettol asked about efforts to disseminate information to local service providers and WIBs. Ms. Milnes responded that her group is working to develop user-friendly interfaces that will aggregate data from various sources and make it available to users so they can analyze industry clusters, occupational trends, and funding sources.

Mr. Gotlieb asked Mr. Mar to discuss Mr. Kirk Lindsey's progress on the State Board's strategic goal of collaboration. Mr. Mar stated Mr. Lindsey has formed a small work group to look at ways of improving collaboration in California. The work group asked the staff to provide information on existing collaborative efforts in the state, and another meeting will be held in January to discuss that information and develop some suggestions.

Mr. Mar reported that Board Member Tom Zenty is championing the State Board's strategic goal of fostering innovation. He stated Mr. Zenty's group held a conference call on November 20, and the discussion centered around defining the differences between effective strategies, best practices, and innovation. He noted the next conference call is scheduled for December 18; at that meeting, the group will refine its definition of innovation, draft a return-on-investment policy statement, and begin developing draft guidelines and goals.

Ms. Megan Juring reported on the State Board's strategic goal of performance. She stated that the State Board's Performance Based Accountability (PBA) Committee, chaired by Mr. Franco, met most recently on October 8. The Committee heard a presentation on a tracking pilot project, discussed performance based accountability standards, received an update on the status of the fourth annual PBA report and the new PBA system, and heard a presentation from the Southern California Regional Performance Excellence Forum. Ms. Juring noted the next meeting will be held in early 2003, and the Committee will continue its discussion of earnings standards. She added that the staff has been working with sociology students from Santa Clara University and Humboldt State who are studying the usefulness of WIA performance measures.

Mr. Gotlieb thanked all the State Board champions and work teams for their efforts. He noted that the State Board will be discussing the strategic plan goals in more detail at the February seminar meeting.

Other Business

Dr. Pat Ainsworth noted that the Carl D. Perkins Vocational and Technical Education Act, representing about \$140 million in funding to California, is also up for reauthorization next year. He stated the Bush administration has indicated its intent to cut the program, and that there is discussion about changing the emphasis to secondary education instead of career technical education. Dr. Ainsworth pointed out that Perkins funds are used to support many career technical education programs in California, so the loss of this resource would have a huge impact on the state.

Mr. Gussman added that this issue came up at the National Governors Association meeting as well. He indicated that in many states, the Perkins Act is the anchor or foundation of career technical education.

Mr. Gotlieb emphasized that the long-term, competitive strength of the U.S. depends on the quality and skill of its workforce. He noted that reauthorization of both WIA and the Perkins Act are critical for maintaining the nation's economic security.

Mr. Jay Hanson asked that the State Board send a letter reminding local boards that all pre-apprenticeship programs must be approved by the California Apprenticeship Council.

Mr. Sean MacNeil asked what the State Board is doing at the state level to advocate against budget cuts in education and workforce training. Mr. Gotlieb explained that the State Board's role is advisory to the Governor. He commented that the State Board can provide insight to the Governor in terms of the value of specific programs. Mr. MacNeil expressed particular concern about the possible \$7 million cut in youth activities funding. Dr. Ainsworth clarified that the \$7 million cut will come out of the Department of Education's budget for WIA youth services.

Mr. Malliaras commented that besides dealing with WIA reauthorization, the Department of Labor is struggling to obtain year-to-year appropriations from Congress. He noted that both the House and Senate are looking at cutting youth opportunity grants, reducing total funding from \$225 million to as low as \$40 million. He recommended that the State Board look at two advocacy tracks, one for reauthorization and another for appropriations.

Mr. Gotlieb observed that in this time of budgetary constraints, it is even more important to ensure that public funds are spent wisely. He noted that the Proteus van is a prime example of how funds can be leveraged to produce great value for the number of customers served. He added that all state agencies will be called upon to be more creative in the next couple of years.

Adjournment

Mr. Gotlieb thanked all participants for their attendance and adjourned the meeting.

Update on Reauthorization

- **Attachment 1 – H.R. 1261 Summary**
- **Attachment 2 – Reauthorization Letter cosigned by the State Board Chair and Acting Secretary of the Labor and Workforce Development Agency**
- **Attachment 3 – Reauthorization Letter signed by the Acting Secretary of the Labor and Workforce Development Agency**

Update on WIA Reauthorization

The Workforce Investment Act (WIA) of 1998 requires that the WIA program be reauthorized after its first five years of operation. As a result, the House of Representatives introduced a bill, H.R. 1261, to reauthorize the WIA this year. H.R. 1261 contains numerous key amendments to the original act and was passed on the floor of the House by party-line vote on May 7, 2003. The Senate will introduce its own version of H.R. 1261 and intends to conduct hearings on it as early as the end of May.

The amendments to the WIA that are contained in H.R. 1261, as passed by the House, are summarized in Attachment 1 by the National Association of State Workforce Agencies. A complete version of the bill can be accessed at the following internet link:
http://www.naswa.org/articles/template.cfm?results_art_filename=hr1261.htm
The Senate bill is expected to reflect essentially the same provisions.

The State Board has worked closely with the Labor and Workforce Development Agency, the Employment Development Department, and the California Workforce Association regarding progress of reauthorization and identifying critical issues for California. Two letters (Attachments 2 and 3) were forwarded to Representatives Buck McKeon and George Miller outlining several guiding principles for Congress to follow in considering changes to WIA during Reauthorization.

Because of interest in this area, the State Board will consider establishing a Task Force to analyze issues and coordinate activities related to WIA reauthorization. The formation of this Task Force will be addressed under Item 4 of the agenda.

H.R. 1261 Summary

Page 3: New term-“Accrued Expenditures”– Used for the purposes of reallotments of unspent funds (intended to address the obligations vs. expenditures issue). The term accrued expenditures is defined as: “the sum of actual cash disbursements for direct charges for goods and services, the net increase or decrease in the amounts owed by recipients, goods and other property for services performed by employees, contractors, subgrantees, or other payees, and other amounts becoming owned for which no current service or performance is required.”

Pages 4-8: State Workforce Boards (Section 103)—Per the Administration’s proposal, the membership requirements and role of the State Workforce Investment Board (State Board) are changed. Required membership includes: (1) state agencies responsible for administering the One-Stop partner programs; (2) the state economic development agency; (3) business representatives; (4) local elected officials; (5) worker advocates, and (6) state legislators.

- The bill continues to require a business majority on the board, and a member of the business community must chair the board.
- State Boards will be responsible for setting policies and priorities affecting the integration of services at the One-Stop Career Center system. The State Boards are also charged with developing criteria for, and the issuance, of certifications of one-stop centers, and the criteria for the allocation of one-stop center infrastructure funding and the oversight of the use of these funds. Bill sponsors say that providing state-level administrators with more authority over the provision of services at centers will increase support for partner usage and create a more coordinated approach to addressing the workforce needs of each community.

Page 8: State Plan (Section 104)—Per the Administration’s proposal, the state planning cycle is reduced from 5 years to 2 years.

Pages 10-12: Local Workforce Investment Boards/Local Plans (Section 106)—Per the Administration’s proposal, Local Workforce Investment Board (Local Board) members will represent leading industry sectors and geographical areas within the local community.

- The requirement that One-Stop partner programs have a seat on the local boards is removed.
- One-Stop partner officials will retain involvement in the local system through the local One-Stop memorandum of understanding process (MOU).
- Local boards have the option of creating advisory committees comprised of One-Stop partners and other key parties to provide advice on operational issues.
- State and local area requirements to submit strategic plans are reduced from five to two years to reflect changing economic conditions or state/local priorities.

Page 12: Youth Councils—The bill eliminates the *requirement* for local Youth Councils. Local boards will retain the authority to create Youth Councils if it is believed the Councils are needed in their particular area.

Pages 13-19: Establishment of One-Stop Delivery Systems (Section 108)—Adds several new One-Stop Partners and provides for one-stop infrastructure funding.

- Each mandatory partner program will contribute a portion of their funds to the One-Stop infrastructure funding. The portion of the funds by each one-stop partner shall be determined by the Governor, after consultation with the State Board. The State Board is responsible for developing a formula for the distribution of infrastructure funding to local areas. The term “costs of infrastructure” is defined as: “the non-personnel costs that are necessary for the general operation of a one-stop center. Including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including adaptive technology for individuals with disabilities), strategic planning activities for the center and common outreach activities.”

Pages 19-22: Identification of Eligible Providers of Training Services (Section 109)—As proposed by the Administration, the bill gives States the authority to determine what standards, information, and data will be required for eligible training providers.

Pages 22-40: Youth Activities (Section 111)—As proposed by the Administration, 25 percent of the youth funding stream is available for challenge grants. The bill also establishes a targeted State formula program designed to serve out-of-school youth only.

- Under the new formula, 1/3 of the funds are distributed based on the number of high school dropouts, 1/3 on the number of jobless out-of-school youth, and 1/3 on the number of disadvantaged youth. The bill includes both a minimum and maximum change in State’s and local areas’ allotment percentages and a small state minimum allotment.
- Formula funds are allocated to the States and local areas, and, as under current law, the local boards would be responsible for setting policies and strategies to guide the use of the funds at the local level.
- The bill authorizes this program at \$1 billion, which is the President’s FY 04 budget request.

Pages 40-67: Comprehensive Employment and Training Activities for Adults (Chapter 5)—As proposed by the Administration, the bill repeals the Wagner-Peyser Act and combines the three funding streams (WIA Adult, Dislocated Worker and ES) into one consolidated funding stream. The bill authorizes this program at \$3.08 billion, which is the President’s FY 04 budget request.

- The bill reserves 10 percent of the funds for the Secretary for national activities. Of the Secretary’s 10 percent, not less than 75 percent of these funds must be used for

national dislocated worker grants (previously called NEG's), not more than 20 percent may be used for demonstration projects, and not more than 5 percent may be used for technical assistance (pages 40-41).

- **State Allotments**—The new formula for the comprehensive adult program allocates funds to the States based on the following factors: 60 percent will be allocated based on the number of unemployed individuals in each State; 15 percent will be allocated on the basis of the excess number of unemployed individuals in each State; 15 percent will be allocated on the basis of the number of individuals in the civilian labor force in each State; and 10 percent will be allocated on the basis of the number of disadvantaged adults in each State. In an effort to minimize winners and losers, the bill includes both a minimum and maximum change to State's and local areas' allotment percentages and a small state minimum allotment (pages 42-43).
- **Within-State Allocations**—The bill includes a new formula (based on the same factors as above) that allows for local areas to receive 50 percent of the combined funding stream while 50 percent would be retained at the State level for activities such as rapid response support for core services in the One-Stop system, evaluation and demonstrations. However, one half (50 percent) of the states' share must be used to support the provision of core services in local areas through one-stop delivery systems by: 1) distributing funds to local areas, or 2) permitting State personnel (ES staff) to provide such services in designated local areas in agreement with the local boards (page 52). The remaining state share may be used for statewide activities including: supporting the provision of core services, conducting evaluations, research and demonstration projects, providing incentive grants to local areas, providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, operating a fiscal and management accountability system, carrying out monitoring and oversight activities, implementing innovative programs such as incumbent worker training programs, developing strategies for serving hard-to-serve populations (pages 54-56). Not more than 5 percent of the state's share under this section may be used for administrative activities (10 percent for locals).
- **Local Employment and Training Activities**—The bill removes the "sequence of services" and provides for greater flexibility in the delivery of core, intensive and training services. Individuals will have the opportunity to receive the services that are most appropriate for their needs. A priority is placed on unemployed workers, and if a State determines funds are limited, a second-tier priority is placed on low-income individuals (pages 56-63).

Pages 67-84: Personal Reemployment Accounts (Section 135)—Per the Administration's proposal, the bill provides \$3.6 billion in mandatory funding for the creation of Back to Work accounts to provide eligible individuals up to \$3,000 to purchase intensive, training, or supportive services through the One-Stop Delivery System on a fee-for-service basis or through other eligible providers. The program language is nearly identical to H.R. 444, recently passed by the Committee.

Pages 84-89: Performance Accountability System (Section 114)—As proposed by the Administration, the bill creates four performance measures for adults: entry into unsubsidized employment; retention in employment; earnings received; and program efficiency. The four measures for youth are: entry into employment, education, advanced training, or military service; attainment of secondary school diploma or GED; attainment of literacy or numeracy skills; and program efficiency.

As under current law, the performance indicators are negotiated between each State and the Department, with additional consideration for local labor markets and economic factors. Governors would have the authority to add additional measures for use within their State.

The bill also includes a provision that requires States to establish procedures, consistent with guidelines issued by the Secretary, to ensure that the performance reports are valid and reliable.

Pages 90-92: Incentive Grants for States and Locals—The bill establishes an incentive process that authorizes the Secretary to provide award grants to States for exemplary performance. In particular, the Secretary may provide grants to those states and areas that provide exemplary performance in serving special populations.

Pages 167-178: Workforce and Labor Market Information System (Section 15)—Employment Statistics section's name has been changed to the Workforce and Labor Market Information System. The system content and state responsibilities remain the same except the one relating to the annual plan.

- The section requiring an annual plan has been replaced by a section dealing with the National Electronic Tools. States' planning involvement relates to the development of the national electronic tools, rather than the Secretary's annual plan.
- The section dealing with Coordination With the States names the Employment and Training Administration, as well as the Bureau of Labor Statistics, as the bodies that shall regularly consult with representatives of state agencies carrying out workforce information activities on strategies for improving the system.
- An additional section on Formal Consultations has been added. At least twice a year, the Bureau of Labor Statistics shall conduct formal consultations regarding programs they carry out with elected state representatives from the 6 BLS Regions rather than the 10 DOL regions.

State of California
GRAY DAVIS, Governor



CALIFORNIA LABOR AND WORKFORCE DEVELOPMENT AGENCY

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March 27, 2003

The Honorable Howard P. "Buck" McKeon
Chairman, Subcommittee on 21st Century Competitiveness
Committee on Education and the Workforce
U.S. House of Representatives
2351 Rayburn HOB
Washington, DC 20515-0525

The Honorable George Miller
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
2205 Rayburn HOB
Washington, DC 20515-0525

Re: WIA Reauthorization

Dear Representatives McKeon and Miller:

As the Acting Secretary of California's Labor and Workforce Development Agency and the Chair of the California Workforce Investment Board, we are pleased to submit to you our comments regarding the reauthorization of the federal Workforce Investment Act (WIA) of 1998 as Congress and the Administration consider these most important issues. The Agency and the State Board join the other states in applauding Congress on the enactment of WIA. The significant changes that WIA brought to the Job Training Partnership Act, as reflected in WIA's seven principles, have provided California with the foundation necessary for a workforce system that is more responsive to individuals, communities, and businesses, and that is increasingly shifting its focus from short-term job training to economic development.

This shift is necessary for California's economic security, and is reflected in the State Board's vision for workforce investment in California:

In order to achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life of all Californians, California shall have a comprehensive workforce development system of education and workforce preparation linked to economic development that sets the standard for the nation and the world.

Continuing the shift to this vision, however, is problematic because the economic downturn in California and in the nation has placed an unprecedented burden on the operation of our WIA and One-Stop systems. As Congress considers reauthorization of this landmark legislation, consideration should be given to adequate resources and a variety of refinements in the law that would assist our State and Local Workforce Investment Boards in continuously improving California's workforce system, and therefore its economy, in an environment of declining revenues.

In order to support states' current efforts to improve their workforce systems and to continue the shift in focus to economic development, we suggest that Congress follow certain broad principles in considering changes to WIA during reauthorization. After consultation with State and local partners, we offer the following broad principles for consideration during WIA reauthorization:

1. Optimize state and local flexibility in law and reduce dependence on the waivers system.

Both the State and Local Boards have made notable progress in coordinating and integrating workforce preparation and education programs and linking them to economic development. Federal law and regulation that govern these programs sometimes serve, however, as barriers or disincentives to true coordination and integration. Federal law should incorporate changes that allow states and localities broader discretion in all aspects of WIA implementation. That expanded flexibility will allow states to implement broader and more innovative strategic decisions that will result in better coordination and integration of a variety of programs and services.

This flexibility should be provided through revisions to federal statute rather than through an expansion of waiver flexibility. The waiver process currently is too cumbersome and unpredictable for it to be an effective tool for state and local governments in managing such a diverse and community-based system.

Some specific examples of actions that states could take under an expansion of their flexibility in administering these programs are to:

- Allow greater transferability of funds between Adult, Dislocated Worker, and Youth funding streams;
- Develop policies that provide flexibility to blend funds from different mandated programs when appropriate to operate and offer services through the local One-Stop centers;
- Provide comparable fiscal and audit requirements for all workforce programs;

- Conduct demonstration projects that would allow consolidation of funds from various federal sources such as TANF, all titles of WIA, Carl Perkins Vocational and Technical Education Act, No Child Left Behind, and the Older Americans Act;
- Provide consistent data reporting requirements, including service definitions, and align performance measures to encourage programs to fully integrate services and systems;
- Allow the use of local formula funding for innovative incumbent worker training programs; and;
- Encourage and reward coordinated strategic planning at both the State and the local levels.

2. Expand program support for, and the active involvement of business and industry.

In order to better meet the needs of business and industry, states must be able to identify which industries have workforce development issues, and what their issues are. Additional federal funding would allow states to develop better systems for strong, robust, and timely labor market information collection and dissemination. This information will encourage Local Boards to focus attention on not only the job seeker, as we in California have referred to as “investment in human capital,” but the right industries and the right work, and will help achieve better integration of state and regional economic priorities with workforce preparation programs. Additionally, Governors should be allowed the use of some WIA funds for economic development and employment generating activities (beyond what is currently allowed in law), particularly in economically depressed areas.

3. Improve the coordination and partnership of programs at the federal level.

A stronger and better coordinated system at the federal level would translate into a stronger more coordinated system at the State level. Federal partners can set an example for states by continuing to work together to resolve system issues that are central to all programs, such as the laws regulating confidentiality, the use of social security numbers, program integration in One-Stops, and the expenditure of funds from a variety of federal funding streams for support of the One-Stop centers. A recent example of productive federal coordination is the new set of cross-program performance measures agreed to by a number of federal agencies and submitted to the Office of Management and Budget.

4. Strengthen Youth programs, particularly for youth aged 14 to 19.

Youth Councils are working well in California and have strengthened local youth-serving systems. In order to assist them, Governors should be provided with the authority to relax eligibility requirements for WIA younger youth, streamline the Youth eligibility process, and establish WIA youth-serving priorities and policies. Youth eligibility for the schools’ Free Lunch Program should be allowed to satisfy Youth Program income eligibility criteria. Finally, youth attending Alternative Schools should be counted as drop-outs instead of In-School, thus helping Local Boards in meeting the 30 percent expenditure requirement.

5. Improve and simplify accountability systems for both the WIA and One-Stop systems.

While the movement at the federal level away from the current 17 core WIA performance indicators to fewer, cross-program indicators is a positive one, WIA still lacks true systemic measures that provide a means of measuring outcomes of the systems, rather than individual program process. California supports the reduced, common measures as submitted to OMB, except for the efficiency measure, which should be reconsidered and redefined. Additionally, the Eligible Training Provider List (ETPL) should be reconsidered and potentially replaced by a more comprehensive statewide structure. At a minimum, the ETPL requirement that outcomes from all entities be reported for all students should be removed and limited to reporting outcomes for WIA-funded students only.

6. Maintain resources to sustain efforts and expand progress.

Historical funding levels for WIA programs have been less than adequate, as reflected in the “priority of service” provisions in law and regulation – an acknowledgement that WIA funding cannot support intensive and training services for everyone who might request them, so providers must give priority to serving those most in need. Consequently, authorized funding levels must be maintained, if not expanded, in order for the system to continue to help in meeting the daunting challenges of our current economy.

On behalf of the entire California workforce system, we thank you for your efforts on the WIA reauthorization process. We would be pleased to meet with you as schedules permit to discuss these matters further. The economic security of the nation depends on a strong, effective WIA system, and we in California believe that applying the six principles we propose for WIA reauthorization will allow Congress to preserve and build upon the many successes of the existing system.

Sincerely,

STEPHEN J. SMITH, Acting Secretary
Labor and Workforce Development Agency

LAWRENCE B. GOTLIEB, Chair
California Workforce Investment Board

cc: Congresswoman Lynn C. Woolsey
Congresswoman Susan Davis
Chrisanne Gayl, Governor’s Office

State of California
GRAY DAVIS, Governor



CALIFORNIA LABOR AND WORKFORCE DEVELOPMENT AGENCY

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Re: H.R. 1261 - Workforce Reinvestment and Adult Education Act of 2003

Dear Representatives McKeon and Miller:

As the Acting Secretary of California's Labor and Workforce Development Agency, I am pleased to submit our comments regarding the block grant for the Comprehensive Employment and Training Activities for Adults program under the federal Workforce Reinvestment and Education Act of 2003. Our comments suggest changes that will allow the Governor broader discretion to make more innovative and strategic decisions for better integration of programs and services. We request that Congress consider our suggested refinements under Workforce Investment Act (WIA) reauthorization.

Consolidating WIA Adult and Dislocated Worker Programs

The primary benefit of providing funding for multiple programs through a consolidated funding stream, or block grant, is to increase the flexibility that policymakers have in expending funds. It is recognized that programs with dedicated funding streams were

created to ensure that certain types of services are available and/or to ensure that special populations are served.

However, we believe the increased flexibility provided through the block grant concept would allow California and other states to more effectively administer the WIA system in ways which better meet the demands of a diverse labor force and highly competitive global economy.

Therefore, we support consolidating WIA Adult and Dislocated Worker funding. This would allow states and Local Workforce Investment Boards (Local Boards) more ability to customize these two programs and to spend the funding in ways that meet the needs of local communities. The WIA Adult and Dislocated Worker programs provide adult jobseekers with the same or similar enhanced services (intensive and training). However, because of the dynamics of the economy and labor markets, individual local areas have continuously shifting needs in terms of how these adults can best be served. As a consequence, Local Boards should have the discretion over the expenditure of these funds that block grants would allow.

State and Local Funding Distribution

In order to obtain the funding flexibility that the block grant concept promises, it is imperative that the state's funding share for all programs are provided with no expenditure mandates or requirements. Therefore, California opposes the current provisions in H.R. 1261 that require half of the state's grant to be used to fund core services.

This is especially critical if Congress chooses to consolidate the WIA Adult, Dislocated Worker, and Wagner-Peyser funds into a single block grant. Governors should be given maximum flexibility under such a block grant to allocate funding based upon strategies that are the most effective in leveraging public and private resources. Therefore, California strongly advocates a 50 percent state and a 50 percent local distribution of the block grant, with no strings attached to the state's share.

By providing a 50-50 percent distribution, the Governor would have discretion and flexibility to allocate funds to provide rapid response and additional assistance for dislocated workers, and continue providing an adequate level of employment services.

With regard to the 50 percent local share, the state believes that Local Boards should have the necessary flexibility to expend Adult and Dislocated Worker funding in ways that addresses their communities' needs. Congress could modify the WIA so that Local Boards have the ability to pool these two funding streams; similar to the provisions proposed for the 50 percent state funds.

Wagner-Peyser Act

California believes it is important to recognize that the dedicated funds authorized under the Wagner-Peyser Act provide critical services to employers, Unemployment Insurance (UI) recipients, job seekers, veterans, and other special populations. The Wagner-Peyser Act was implemented as a companion to the UI program and created the nation's public labor exchange system to serve workers, job seekers, and employers.

California suggests that Congress consider the potential impact on the state's labor force, employer community, and UI recipients by repealing the Wagner-Peyser Act and consolidating this funding stream into a block grant.

Youth Challenge Grants

Finally, although it is not specifically a block grant issue, WIA currently authorizes funds for Youth Opportunity Grants (YOG), a DOL discretionary award that does not affect the states' allocations. H.R. 1261 deletes the YOG Program and replaces it with Youth Challenge Grants. The Youth Challenge Grant program awards grants through a combination of competitive and discretionary grants. H.R. 1261 reserves 25 percent of the federal appropriation for the Youth Programs for Youth Challenge Grants.

Based upon California's Program Year 2002-2003 Youth Program allocation of \$174.4 million, the federal Youth Challenge Grant set-aside would result in a reduction to the State of approximately \$43.6 million. There is no certainty that all, or even any, of California's Local Boards would receive Youth Challenge Grants, yet the loss of the funding from the Youth Program funding stream would limit the flexibility of Local Boards in delivering services. California is opposed to this shift in funding from the local to the federal level.

In closing, California supports consolidating the WIA Adult and Dislocated Worker funding streams. However, we strongly advocate for a 50 percent state and a 50 percent local distribution of the block grant, with no strings attached to the state's share. We also urge Congress to consider the potential consequences before repealing significant portions of the Wagner-Peyser Act and consolidating these dedicated funds into the block grant concept. Finally, we are concerned about the 25 percent reduction to the Youth program for the Challenge Grants and the potential impact this reduction would have to youth services.

Thank you for providing California the opportunity to submit our comments and concerns on WIA Reauthorization.

Sincerely,

STEPHEN J. SMITH, Acting Secretary
California Labor and Workforce Development Agency

cc: Congressman John A. Boehner, Chairman
Congresswoman Lynn C. Woolsey
Congresswoman Susan Davis

Administrative Items

- **Attachment 1 - Action Item: Creation of Workforce Investment Act Task Force**
- **Attachment 2 - Action Item: Creation of Special Committee on Bylaws**
- **Attachment 3 - Universal Access Workgroup: Linkages to the Workforce Inclusion Act**
- **Attachment 4 - Federal Waiver Application**
- **Attachment 5- Update of Provisional Local Workforce Investment Board Recertification and Redesignation of Local Workforce Investment Areas**

Creation of Workforce Investment Act (WIA) Task Force

Background

The Workforce Investment Act (WIA) is scheduled for reauthorization after June 30, 2002. There has been considerable interest among State Board members, partner entities, and legislative staffers regarding WIA reauthorization. Because of the considerable impact to California and taking into account the high level of public interest across California constituents, the State Board will consider adopting a Task Force to help analyze issues and coordinate activities related to WIA reauthorization.

The Task Force will be comprised of key partner entities and legislative staff aids.

Recommendation

The State Board members approve creation of WIA Task Force.

Creation of Special Committee on Bylaws

Background

The Governor established the State Board through Executive Order D-9-99, outlining the State Board's structure and reporting relationship. In its initial meetings, the State Board adopted bylaws that reflected language contained in the Executive Order. Since the issuance of this Executive Order, the reporting structure of the State Board has changed significantly with the establishment of the Labor and Workforce Development Agency (LWDA). The State Board is now administratively part of the LWDA.

The Legislature has in the last few years expressed an interest in receiving information regarding the State Board's roles, responsibilities, and protocols. Additionally, State Board members at the February 10, 2003, Strategic Planning Session discussed perspectives on the role of State Board members. To address these concerns, a Special Committee is being proposed to clarify the State Board's roles, functions and operations. The Committee will provide recommendations to the Board members regarding revisions to the bylaws and related issues that clarify the State Board's roles and responsibilities.

Recommendation

The State Board approve formation of a Special Committee to address development of bylaws and other related issues that clarify the State Board's roles and responsibilities.

Universal Access Workgroup – Linkages to the Workforce Inclusion Act

Background

The California Workforce Investment Board convened the Universal Access Work Group (UAWG) in early 2001 as a result of a multi-agency task force. With leadership from the Department of Rehabilitation, the Work Group, which includes public and private partners, was established to deal with issues related to assessment and standards, provide resources, training, technical assistance, administration and monitoring within a framework of accessibility for customers with disabilities, in the State's One-Stop delivery system. The latest update on the activities of the Universal Access Work Group is provided as a separate handout.

Due to the activities and coordination of the Universal Access Work Group and its sub-groups, the State Board is well-positioned to support the goals of AB 925 (Aroner), Chapter 1088, Statutes of 2002. Its work will now be coordinated with that of the Governor's Committee on Employment of People with Disabilities, assigned with overall responsibility for coordinating the inter-governmental collaboration required by AB 925. Dr. Catherine Campisi, Chair of the UAWG and Director of the Department of Rehabilitation and Catherine Kelly-Baird, Executive Director of the California Governor's Committee on Employment of People with Disabilities will discuss the planning and coordination activities that have occurred to date, as well as potential roles.

Supporting Legislation

Governor Gray Davis signed AB 925, widely referred to as the Workforce Inclusion Act, on September 29, 2002. The new law requires extensive intergovernmental collaboration to remove barriers to employment for people with disabilities:

“The Governor shall authorize the secretary of the Labor and Workforce Development Agency, in collaboration with the secretary of the California Health and Human Services Agency, to make available the expertise of state employees and programs to support the employment-related needs of individuals with disabilities.”

AB 925(Aroner), Chapter 1088, Statutes of 2002, Sec. 12803.6(a)

There are five major provisions in the Workforce Inclusion Act:

1. Requires California's new Labor and Workforce Development Agency, in collaboration with the Health and Human Services Agency, to implement a sustainable, comprehensive strategy to bring people with disabilities into employment at a rate comparable to that of the general adult population.
2. Allows state-funded personal assistance services to be available in the workplace as well as in the home.

3. Engages the newly empowered Governor's Committee on Employment of People with Disabilities to increase and improve cooperation between the Department of Health Services, the Employment Development Department and other state agencies and private employers.
4. Requires State and Local Workforce Investment Boards to include people with disabilities, if permitted by federal law.
5. Provides for training in benefits planning to include the Departments of Health, Social Services and Rehabilitation as a means to foster self-sufficiency and improved employment outcomes for people with disabilities, when funds become available.

An additional provision of the law requires the State Board to report to the Governor and the legislature on the status of WIA One Stop services to people with disabilities and on the implementation of the Ticket to Work program by September 2004.

The Federal Ticket to Work and Work Incentives Improvement Act of 1999 (Ticket Act) removes barriers that have influenced disabled people's decisions regarding health care coverage and work. The major goals of the Ticket Act are to increase a beneficiary's choice in obtaining rehabilitation and vocational services; remove barriers that require people with disabilities to choose between health care coverage and work; and assure that more Americans with disabilities have the opportunity to participate in the workforce and lessen their dependence on public benefits. The Ticket to Work and Self-Sufficiency Program will be launched throughout California in November 2003. The program will provide almost a million disability beneficiaries with a "Ticket" for employment services from a widening range of service providers, called Employment Networks. These networks will expand service options for employment, vocational rehabilitation or other support services from public and private providers.

Supporting Grant Activities

Department of Labor Workforce Investment Grants: A consortium of state partners is supporting capacity building in the One Stop system to serve people with disabilities. To augment federal funding, the consortium supported Department of Rehabilitation's successful application of a Department of Labor grant for close to \$1 million to operate the Workforce Investment Resources and Accommodations Project (WRAP). WRAP funds are earmarked to support the design and structure of services to customers with disabilities served through the One-Stop workforce system. WRAP will also fund a Benefits Planning Information Center web site www.disabilitybenefits101.org for provision of state-specific and updated benefits and resource information for persons with disabilities. Project activities are coordinated through the State Board Universal Access Workgroup.

In a subsequent announcement by DOL for the Workforce Investment Grant funds, California submitted an application this year through the Governor's Committee on Employment of People with Disabilities, and other partners. The grant application

proposes a strategy to address barriers to employment for people with disabilities that have been identified by One-Stop Career Center frontline staff. These barriers include the need:

- For well-trained, highly knowledgeable resource staff at One-Stop Career Centers to provide customers with disabilities comprehensive employment information regarding services and benefits.
- To increase the employer community's awareness of qualified job applicants with disabilities.
- For State and local partnerships to identify and implement innovative service strategies through assistive technology, and to conduct outreach to disability communities to inform people with disabilities of available services.

California's strategy to overcome these barriers includes a two-part training program for One-Stop Career Center staff. This includes basic and advanced training curricula for Disability Program Navigators. This will give frontline staff the opportunity to establish a foundation level of understanding of resources needed to provide services to people with disabilities. The advanced training will allow staff to gain an in-depth understanding of the disability benefit structure, especially as it relates to the Ticket-To-Work (TTW) and Employer Network (EN) programs.

Federal Waiver Application

Background Information

Written requests for specific waiver of Statutory or Regulatory requirements that hinder or impede the implementation of the Workforce Investment Act (WIA) is allowed under Section 189 (i) (4) of WIA. There are certain requirements that are listed in the Act that cannot be waived, including but not limited to, wage and labor standards, nondiscrimination, eligibility, and worker rights.

The Governor must submit the waiver request and if approved by the federal Labor Secretary, the waivers will allow the State to implement the approved waiver on a statewide basis or individually approve or deny requests from any of the 50 Local Workforce Investment Boards. The Department of Labor Secretary has already approved requests from other States for each of the three waivers California is submitting. For this reason, we anticipate quick approval of our requested waivers.

Update

The California Workforce Investment Board worked closely with State partners, Department of Labor Region 6 federal representatives, the Local Area Work Group (consisting of Local Area administrators, One Stop Operators, and local government) and the California Workforce Association (CWA) to identify and recommend waivers to improve WIA program operations in California. The CWA sent a waiver survey document to all 50 Local Workforce Investment Areas and based upon the responses, it was determined that there was significant support for three specific waivers. These waivers include:

- Request to extend the initial period of provider eligibility by waiving the 18 month requirement for subsequent eligibility at 20 CFR 663.530;
- Request to increase the current 20 percent local-level transfer authority limit on funds between the adult and dislocated worker programs to 30 percent; and
- Waive the prohibition on the use of individual training accounts for older youth at 20 CFR 664.510.

In an effort to receive maximum input in this process, drafts of these three waiver requests were posted on the State Board website. An email notification was also sent to State Board members and individuals/organizations that formally requested to be on our email listing. Three comments were received which were easily resolved through minor edits or by providing background information to the inquirer.

The three final waiver requests and a Governor's Action Request was prepared and forwarded to the Governor's Office for review and approval. The approval is pending.

Update of Provisional Local Workforce Investment Board Recertification and Redesignation of Local Workforce Investment Areas

Background

At the December 2002 Board meeting, the State Board received written recommendations regarding the recertification of Local Workforce Investment Boards (LWIBs) and the redesignation of Local Workforce Investment Areas (LWIAs). Recertification of Boards was incumbent upon the fulfillment of required membership under the WIA statutes of 1998. Local Area redesignation was based on two factors: 1) Geographical population requirements as spelled out in the Law, and 2) Local Area ability to meet negotiated performance standards with the State in line with Board policy. All LWIBs except one, met the mandates for Local Board recertification. All LWIAs except two, met the requirements for Local Area redesignation.

Update

Local Workforce Investment Board Recertification

The Los Angeles County LWIB was placed on provisional recertification status because it failed to demonstrate Board membership in compliance with the WIA requirements including that of having a business majority. Instructions regarding Local Board membership are contained in State Directive WIAD02-5, which was transmitted to all LWIBs on September 18, 2002. The L.A. County provisional recertification granted in December was for a six-month period, to allow Los Angeles County to take corrective action to bring itself into compliance. The provisional status expires on June 30, 2003.

The Los Angeles County staff have been diligent in taking measures to fill the vacated Board seats. In a letter dated April 24, 2003, State Board staff received a written response detailing the actions their Board had taken to fulfill its membership requirements and asked to be fully recertified.

- 27 of the 51 approved board seats are designated as business (53%).
- Of the 27 business seats; 23 are filled, and the names of three more business representatives have been forwarded to the Executive Office of the Los Angeles County Board of Supervisors. The letter stated that they anticipate approval before June 30, 2003.

Based on the above information, which discloses the filling of the majority of the vacant business seats and active efforts with regard to the other three, Board staff recommends the formal upgrading of the Los Angeles County LWIB from provisional to full recertification status.

Local Area Redesignation

Board staff has worked with EDD's Workforce Investment Division (WID) staff to ensure the two areas meeting only provisional area redesignation on the basis of performance, have taken corrective action to ensure the granting of full redesignation.

The City of Oakland staff has been forthright in their efforts to develop a corrective action plan and improve performance. On February 5, 2003, LWIB staff submitted their plan to Oakland WIB Quality Assurance and Executive Committees as well as their City Council. Oakland LWIB Staff also traveled to Sacramento to meet with State Board staff personally to discuss their plans and inquire as to further suggestions for direction. Current performance data for Oakland reflects improvement in most areas and is likely to complete the provisional status period either meeting or exceeding at least 80% of 9 of 11 standards as set by Board policy. State Board staff is hopeful of administratively upgrading the Oakland Local Workforce Investment Area from provisional to full redesignation status as soon as final performance data has been collected, reported to the State, and reviewed by State Board Staff.

The City of San Bernardino submitted a Corrective Action and Technical Assistance plan in a January 24, 2003 letter, which provided details on their planned corrective actions and a request for technical assistance from the Employment Development Departments' Workforce Investment Division (WID). State Board Staff is working closely with the WID Regional Advisor and senior staff to monitor the Local Area's performance. While we are hopeful that the Local Area will improve its performance, there is a possibility that the improvements may still fall short of that established by the State Board's policy.

Board staff will provide additional updates at the State Board meeting on May 21st.

**Council of Economic Advisors Panel Presentation –
California Business Climate**

Council of Economic Advisors

Stephen Levy, Director and Senior Economist of the **Center for Continuing Study of the California Economy** (CCSCE) and Chair of the State Board's **Council of Economics Advisors**, will introduce **Dr. Anil Puri**, who will up-date the State Board on the **current state of the California economy**, followed by **Dan Ripke**, who will provide the State Board with a perspective on the **demographic and economic conditions in Rural Northern California**. The following provides a brief background on each of the presenters.

Dr. Anil K. Puri is the Dean of the College of Business and Economics at Cal State Fullerton, the fourth largest accredited business school in the country. He is also the Director of the University's Institute for Economic and Environmental Studies and Executive Vice President of the Western Economic Association International. He also serves on the National Association of Business Economists' Survey of Economic Conditions.

Dr. Puri regularly produces economic forecasts for Orange County and Southern California that are widely used by business and community leaders. His research has been published in leading academic journals such as *Policy Studies Journal*, *International Journal of Forecasting*, *the National Tax Journal*, and *the Journal of Conflict Resolution*.

Dan Ripke has been with California State University, Chico's Center for Economic Development since 1989. During his tenure, the center has grown from three employees, to over seventeen employees. He has expanded the center's service region from twelve counties to twenty counties, a region that encompasses 30 percent of the state. In 1990, the Center began publication of its Annual Economic & Demographic Profile Series for 20 north state Counties, the largest, continuously published series of its kind. Each year over 4,000 North state leaders use this publication to get the latest information on regional trends and conditions. The Center hosts more than 20 regional meetings annually, including local leadership training events and the Tri-County Economic Forecast Conference to name just two. Over the past three years the Center has begun offering its research and analysis services to North state businesses and non-profit organizations.

Dan has received specialized training in economic development and economic analysis. Dan is a regular speaker regionally and statewide on issues related to economics, regional demographics, and public policy to organizations such as the Local Government Commission, California Association of Counties, the League of California Cities, and the California Downtown Association. His academic background includes two bachelor degrees (International Business & French), and a Masters degree in business administration.

Dan also serves on the Board of Directors for the California Association for Local Economic Development, and is a Technical Advisor to the California Economic Strategy Panel.

Lunch Presentation: “Fifty Stories”

- **Virginia Hamilton, California Workforce Association**

Fifty Stories Lunch Presentation

The California Workforce Association (CWA) recently published the Spring 2003 edition of *Fifty Stories, One System: Profiles of Local Workforce Investment in California*. Developed in cooperation with local service providers throughout the State, *Fifty Stories, One System* presents an informative description of California's Local Workforce Investment Areas, their One-Stop Career Centers, and the successful efforts of their workforce development programs in serving our state's communities, citizens, and businesses.

The publication describes some of the innovative strategies with which local organizations and providers have contributed to workforce development in the last year. It paints an encouraging picture of the people and organizations in California who are helping to link education and workforce preparation with economic development.

A copy of the publication will be provided to the State Board members at the meeting. Virginia Hamilton, the Executive Director of the California Workforce Association will provide a brief overview of the publication.

**Action Item – Presentation and Approval of Draft Strategic Plan:
2003/2004 Priorities**

- **Economic Information**
 - ⇒ **California Regional Economies Project**
- **Collaboration**
- **Innovation**
- **Performance**
- **Administrative Excellence**
- **Youth**

Presentation and Approval of Draft Strategic Plan

Background

The State Board met in Los Angeles on February 9 and 10 to review progress on the goals set forth at their 2002 planning session, and to consider and commit to priorities of 2003. The attached document summarizes the discussions that occurred relative to each of the original goal areas, Information, Innovation, Collaboration, Performance, and Administration, as well as a newly incorporated priority recognizing the State Board's commitment to providing leadership to youth issues through California's workforce development system.

In April 2003, the leaders of each goal area sought to focus the retreat's summary report on identifying one or two principle outcomes in each priority area. The goal leaders will report on the high level priorities included in the attached draft strategic plan, and ask for the State Board's deliberation, input, and final approval.

Recommendation

The State Board members adopt the 2003-2004 Draft Strategic Plan.

California Workforce Investment Board

2003-2004

Strategic Plan

Draft

May 2003

SUMMARY OF ACTIONS FOR 2003-2004

The California Workforce Investment Board (State Board) will deliver on the following priorities during the program year 2003-04 year:

- **Information**—*Produce new regional reports on economic and employment trends to help system partners meet changing needs in workforce development.*
- **Collaboration**—*Create and advocate a new Federal Legislative Agenda, launch a marketing campaign for the one-stop system, and strengthen relationships with employers, local Boards, and the State Legislature, forging partnerships to work for a better system.*
- **Innovation**—*Become a catalyst for innovation throughout the system by creating a new source of information about innovative practices in workforce development, formally recognizing and celebrating local and regional innovations in California, and designing a new Breakthrough Innovation Fund.*
- **Quality and Performance**—*Improve the PBA system to enhance utility and continuous improvement across workforce preparation programs statewide. Continually monitor and assess the impacts of WIA and other state and federal performance mandates on the PBA System.*
- **Administrative Excellence**—*Obtain a new Executive Order clarifying the Board's role within the new State Labor and Workforce Development Agency, and adopt new policies to clarify Board roles and responsibilities and to improve Board effectiveness.*
- **Youth**—*Create a comprehensive Youth Plan, encourage local youth councils to adopt "All Youth—One System", and become a statewide resource and database for youth.*

INTRODUCTION

This document is the Strategic Plan for the California Workforce Investment Board (State Board) for the fiscal year 2003-2004. The Plan has been updated and revised to reflect the many changing economic and policy conditions of the past year. Its purpose is to provide a clear roadmap for the focus and actions of the State Board and staff in the coming year. It is intended to result in clear, measurable outcomes that will provide value to the many customers and beneficiaries of the workforce development system.

The 2003-2004 Plan identifies the high level priorities that will shape the State Board's work plan over the coming year. These priorities were identified during the State Board's second annual Strategic Planning Seminar held in February 2003 at the University of California Los Angeles (UCLA), and were further refined by the State

Board's Planning Team, staff, and partners. The action priorities for 2003-2004 will be carried out within the framework of the Strategic Plan's original five goals, which were validated by the State Board members at the UCLA seminar. A sixth goal was added to reflect the importance of youth activities and the role of the State Youth Council.

See www.calwia.org for a copy of the California Workforce Investment Board 2002-2003 Strategic Plan and a full description of the background on the development of last year's plan.

BACKGROUND

The State Board's 2003 Strategic Planning Seminar took place at a very challenging time. While the State Board had taken several important steps in meeting the strategic goals and priorities adopted in May 2002, it is faced with new realities that will shape the work in the coming year. These new realities – both economic and governmental – include a national economic slowdown, a war, a state budget crisis, the reauthorization of the Workforce Investment Act in July 2003, proposed federal cuts in the State's allocation of Workforce Investment Act funds for 2003-2004, the creation of the State Labor and Workforce Development Agency, and the launching by the Governor of several Jobs Initiatives.

Given these realities, the State Board acknowledges that its work must bring the highest value and most effective use of resources for its customers and communities. At the UCLA Seminar, the State Board heard from national workforce development experts that its Plan is very creative and that it captures the key areas that workforce policy should be addressing.

However, the State Board needs to bring greater clarity to its focus, and where it will strive for the greatest value-added. There are a large number of ongoing activities that constitute the work of the State Board and staff - and many of these will continue because they are required for the State Board to fulfill its designated oversight and policy roles. The State Board was urged to separate out and handle more efficiently the "ministerial" functions associated with WIA compliance and other systems oversight responsibilities, and to identify a few core, high priority issues on which the State Board can create a clear path for action and achieve significant outcomes.

As with last year's Strategic Plan, this approach recognizes that the State Board's role is not to deliver services or manage agencies. Rather, it is to use its influence and leverage through its policy role to help define the broader goals of the overall system in achieving success, to work with its partners to achieve this success, and hold all parties – itself included – accountable for achieving success.

VISION AND MISSION FOR WORKFORCE DEVELOPMENT AND INVESTMENT

The California Workforce Investment Board adopted the following Vision Statement in December 2000:

“In order to achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life for all Californians, California shall have a comprehensive workforce development system of education and workforce preparation linked to economic development that sets the standard for the nation and the world.”

At the February 2002 Strategic Planning Seminar, the State Board elaborated on this vision by identifying its aspiration for success of the overall workforce development system five years from now. Aspirations included the role of workforce development and investment as a central means to increase widely-shared economic opportunity, to decrease poverty and income inequality, and to prepare a world-class labor force essential for innovation, competitiveness, and the leadership position of the California economy.

These aspirations are far broader than WIA program impacts. They reflect the commitment of the State Board that the State’s workforce development resources, policies and activities have the greatest possible return on investment, and that the State Board has a leadership role in making this happen. This commitment continues in the Strategic Plan for 2003-2004, affirming its mission:

“To provide strong leadership in achieving the success of the overall workforce development system, for the benefit of all California – its people, businesses and communities.”

STRATEGIC GOALS FOR 2003-2004

The ongoing success of California's workforce development system depends on the quality of its inputs, operations, and outcomes. The State Board will improve the quality in each of these areas by making clear and measurable progress toward achieving six high-priority goals. Each goal area has a Board Leader, and the leaders will work as a team with the State Board's Chair and Co-Chair to organize State Board activities and oversee staff activities to ensure linkage and integration of the individual goals to achieve the overall priorities of the State Board.

The six goals of the State Board's Plan for 2003-2004 are:

- 1. To ensure that all partners have the most timely, relevant information about changing workforce needs and investment opportunities.*
- 2. To be an effective partner and advocate, and bring system partners together.*
- 3. To create, nurture and reward a culture of innovation.*
- 4. To raise the quality of the "Field of Practice" and performance of the overall workforce development system.*
- 5. To ensure administrative excellence, including compliance with WIA requirements, to support achievement of all strategic goals.*
- 6. To provide leadership on Youth Issues.*

STRATEGIC PLAN PRIORITIES FOR 2003-2004

To achieve these goals, the State Board's Chair, Co-Chair, Goal Area Leaders, consultants and staff refined and clarified the input from the February 2003 Strategic Planning Seminar, which has been integrated with the ongoing work of the State Board. The resulting high level priorities for the State Board's 2003-2004 Work Plan will be reviewed by all Board members at the May 21 Board meeting, and after discussion and revision, will be adopted for implementation in the coming year.

Goal # 1 – Information - Insure the most timely, relevant information about changing workforce needs and investment opportunities. Goal Area Leader: Kathleen Milnes

The Board will address this goal by working through the State Board's Council of Economic Advisors and the California Regional Economies Project (a Department of Technology, Trade and Commerce project funded by the State Board through an interagency agreement) to:

- *Deliver regional reports on economic and employment trends.* Includes developing and widely disseminating timely and new regional economic information and products (economic base analyses, cluster studies, monographs, current research) to the State Board, the Economic Strategy Panel, the Governor, local Workforce Investment Boards and partners, employers, State Agency partners, the Legislature and others.
- *Create new mechanisms and processes to engage regional leaders in the workforce field.* These include assisting local WIBs, employers and employer organizations, economic development organizations, K-12 and all segments of the higher education system, and other regional civic organizations in understanding economic and workforce data, analyzing the implications of that data for local and regional workforce and economic policies and programs, and providing "bottoms-up" guidance to the State Board on state workforce policies and programs.

Other Objectives:

- Identify and compare 15% projects involving research and data collection, and how to best use/link to other work within this goal area
- Work with the Labor Market Information Division (LMID) and the Labor and Workforce Development Agency to integrate EDD and DIR data and to produce more useful labor market information products
- Improve access to LMID and related data

Goal #2 – Collaboration – Be an effective partner and advocate, and bring system partners together. Goal Area Leader: Scott Hauge

The Board's priorities related to this goal include: Taking a leadership role regarding workforce policy and legislation; Strengthening employer services; Marketing One-Stops and the One-Stop system; and Building stronger relationships with Local Boards and the private sector. Priority actions to advance this goal include:

- *Create and advocate a Federal Legislative Agenda for WIA Reauthorization and proposed 2003-2004 WIA funding allocations, working with system partners.*
- *Launch a marketing campaign for the One-Stop System.*
- *Define priority employer services, do outreach to system users, and develop an employer services performance measure.*
- *Strengthen the relationship with local Board chairs and employer participation.*
- *Develop and implement an outreach, accountability and partnership strategy with the State Legislature.*

Other Objectives:

- Update and modify the State's Five Year Workforce Investment Plan within the context of impending changes from the WIA Reauthorization process
- Lay the groundwork for comprehensive workforce system planning in the next program year

Goal #3 – Innovation – Create, nurture, and reward a culture of innovation. Goal Area Leader: Warren Jackson

This area had a work group last year that developed a foundation for this year's work, which is proposed as a two-year process. An Innovation Officer has been appointed to assist the Board in this goal area. Priority actions are:

- *Become a new source of information about innovative practices.* Research, gather information including from outreach to local Boards, partners and other areas, and disseminate information on innovation and promising practices – including web-based.
- *Recognize innovative practices in California.* Develop opportunities for recognizing effective innovations and promising practices, including activities and events.
- *Design a "Breakthrough" Innovation Fund,* including the framework for criteria and operations, which could be implemented in the following program year (2004-2005). The Fund could be a focus for the 15% funds, for "breakthrough" projects.

Other Objectives:

- Conduct review of 15% projects to identify innovations and promising practices
- Help leverage other funds (e.g., philanthropic resources) to support innovation in the field

Goal #4 – Quality and Performance – Raise the Quality of the "Field of Practice" and Performance of the Overall Workforce Development System. Goal Area Leader: Victor Franco

Some of the work in this goal occurs under the guidance of the Performance Based Accountability (PBA) Committee. Work is being broadened and priorities in this area are:

- *Support Performance Excellence.* Improve access to and utility of the PBA System for increased accountability and program improvement. Continually monitor and assess the impacts of WIA and other state and federal performance mandates on the PBA System. Encourage the inclusion of customer satisfaction measures in the One-Stop System.
- *Enhance partnerships with workforce preparation programs, departments and agencies as valued stakeholders in the PBA System.*
- *Become a data and information clearinghouse for workforce preparation program performance measurement.*

Other Objectives:

- Publish and disseminate the Fourth Annual PBA Report
- Conduct WIA System Evaluation
- Develop One Stop Certification Recommendations

Goal #5 – Administrative Excellence – Ensure administrative excellence, including compliance with WIA requirements, to support achievement of all goals. Goal Area Leader: Art Pulaski

This area encompasses several issues that relate to the Board's roles, functions and operations, some of which are priority actions the Board's Strategic Planning Group will work on together, guided by the Goal Area Leaders and Board staff. Priorities are:

- *Obtain a new Executive Order to clarify the Board's role* and achieve alignment within the Labor and Workforce Development Agency, resolving Board organizational structure issues, including Bylaw revision; complete Protocols on Roles and Responsibilities and submit report to the Legislature.
- *Adopt new policies to improve Board effectiveness.* Create an Ad Hoc Committee to assist the Board with a Business Plan to deal with issues such as: Policy role, Board Composition, Engagement, Participation Requirements, Consent Calendar, etc.

Other Objectives:

- Develop Administrative Calendar for WIA compliance and related tasks
- Develop a Matrix of Accomplishments to assist the Board in tracking the progress regarding implementation of the Strategic Plan
- Schedule and implement the 2004-2005 Board Planning Seminar

Goal #6 – Youth - Leadership on Youth Issues. Goal Area Leader: Ken Burt

This goal was added at the February 2003 Strategic Planning Seminar, to acknowledge and integrate the work of the State Youth Council with the overall work of the State Board. Priorities include:

- *Create a comprehensive Youth Plan for the State.*
- *Provide capacity for the local youth councils to implement "All Youth – One System" framework.*
- *Establish the Youth Voice Network.*

Other Objectives:

- Develop a database to describe California's youth population
- Develop a statewide resource and services database for youth
- Promote youth involvement in local youth councils

CONCLUSION

Upon adoption of these priorities by the full State Board, staff will work with the Goal Area Leaders to develop specific work plans to carry out these priorities, building on the work that staff has been doing over the past few months to align existing and planned activities within the framework of the goal areas. The work will be conducted by staff, Board members and workforce partners through workgroups, committees, the Youth Council, and interagency agreements. One of the Goal Leader's role will be to engage Board members and partners in the work that relates to specific goal areas, and working as a team to ensure that work is integrated across the goal areas, as well as meeting the State Board's overall priorities.

Other Business That May Come Before the Board